1:Stanford U. S-4, 5 1956 AF15 East China
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575 In rural areas, organizations such as the Red Spear Society (Hung-ch'iang Hui) and the Mutual Protection Society (Lien-ya Hui) existed for the protection of its members against roving bandits. These voluntary associations arose in areas where the government failed to maintain order and peace, and their organization cut across class and occupational lines. When landlords were forced to move into towns during periods of disorder, organized peasants and tenants at times became so powerful that they defied the landlords' demand for exorbitant rents.

467 Among the artisans and workers in China there were for generations both craft guilds (hangs) and regional guilds (pangs). As in Europe, these guilds were not intended to serve the interests of workers as a class but to promote the crafts and guard their monopoly and trade secrets. Both employers and employees were members, but the employers usually dominated the guilds' activities.[7]

484 Another kind of association existed to serve travellers, who were usually merchants, in cities outside their home county or province.

7. Nym Wales, The Chinese Labor Movement, New York, The John Day Company, 1945, p. 7.

1:Stanford U. S-4, 5 1956 AF15 East China
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484 These associations, t'ung-hsiang hui, were organized on a county or provincial basis. By maintaining buildings and personnel in distant cities they facilitated the dealings of their constituents who might have language or other difficulties.

575 Most significant and disturbing to the social structure were the secret societies. They were, in fact, hierarchical societies within a society. A notable example was the Ko-lao Hui, which was also called Hung-pang in the Central-South Region. The bulk of the membership of this secret society was drawn from the unemployed in the rural areas and organized under strict and severe discipline. They were instructed to rob the rich, to help the poor, to rescue the oppressed, and to overthrow Manchu rule. Leadership of the society, however, was in the hands of the landlord class. The Ko-lao Hui became such a strong underworld force that Sun Yat-sen had to solicit its co-operation in his endeavor to overthrow the Manchu dynasty. After the fall of the Manchu regime, many warlords of North China obtained power by way of the Ko-lao Hui hierarchy and by utilizing its mass followings.[8]

8. Ko-lao Hui and Ch'ing-pang, Hsi-pei Yen-chiu She, 1941.

2: Murphy G-4 (no date) 1953 AF15 East China AF15

Chinese commercial houses in Hankow were branches of Shanghai houses.*

The foreign merchants at Shanghai, aware that their trade was increasingly based on the commercial exploitation of the entire Yangtze basin now made possible by the new treaty, combined in 1868 to finance an expedition under the leadership of Alexander Michie and Robert Francis to explore the trade of the upper Yangtze. The leading American firm in Shanghai, Russell and Company, paid the travel expenses of the expedition by steamship as far as Hankow, and the remainder of the expenses were met by the Shanghai Chamber of Commerce, from which body the members of the expedition had been selected.

The report of these delegates, published in 1869, stressed the importance of water transport in the trade of major commercial centers along the Yangtze, and in the overall movement of domestic trade to and from Shanghai. They noted the extensive tea shipments moving via the Kan River and its tributaries and Poyang Lake to Kiukiang and Hukow and thence via the Yangtze to Shanghai. They commented on the widespread water connections of Hankow, via the Han River system, which brought tea, hides, hemp, timber, and vegetable oils for transshipment to Shanghai, and via the Hsiang River system, which brought mainly tea and cotton. Szechuan sent hemp, hides, bristles, tea, vegetable oils, and opium via the Yangtze to be transshipped at Hankow for Shanghai, these goods having originally been assembled at Chungking via the Chialing, Yangtze, and Min Rivers.[11]

British dominance of the trade of the newly-established treaty ports was secure, but the organic connection between the growth of their primary stronghold at Shanghai and a similar dominance of the Yangtze hinterland which fed it was perhaps the most compelling reason for the early development of Britain's traditional sphere of influence in central China and throughout the Yangtze basin. In north China they could better afford to give ground later in the nineteenth century to Russia and Germany, and in the south to

* The British consul at Hankow notes this pattern in his trade report for 1865, which further emphasizes the conditions of Yangtze trade favoring a monopoly by the large Shanghai firms.